

Application Serial No.: 09/780,812  
Amendment dated: 06/12/2004

Reply to Office action of: 03/29/2004  
Attorney Docket No.: ARC920000114US1

### **REMARKS**

Applicants respectfully submit that all the claims presently on file are in condition for allowance, which action is earnestly solicited.

### **INFORMATION DISCLOSURE STATEMENT**

The office action indicates that the "UDDI white paper" that was cited by the Applicants in the IDS was not available. Applicants respectfully submit that a copy of this reference was actually submitted along with form 1449. Nonetheless, Applicants resubmit herewith another copy of this reference for consideration by the Examiner.

### **THE SPECIFICATION**

Applicants have amended the Cross-Reference to Related Application to include information that was not available at the time of filing the present patent application.

### **THE CLAIMS**

Claims 1-25 were "rejected under 35 U.S.C. 103(a) as being unpatentable over Ferguson et al (US 5,966,697) in view of Freeny, Jr. (US 6,076,071) further in view of Official Notice." Applicants respectfully submit that these cited references, whether considered individually or in combination with each other, do not disclose all the elements and limitations of the rejected claims. Consequently, the claims presently on file are not obvious in view of the cited references, and the allowance of these claims is earnestly solicited. In support

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of this position, Applicants submit the following arguments:

#### **A. Legal Standard of Obviousness**

The following legal authorities set the general legal standards in support of Applicant's position of non obviousness, with emphasis added for added clarity:

- MPEP 706.02(j), **"To establish a prima facie case of obviousness, three basic criteria must be met.** First, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings. Second, there must be a reasonable expectation of success. Finally, **the prior art reference (or references when combined) must teach or suggest all the claim limitations.** The teaching or suggestion to make the claimed combination and the reasonable expectation of success must both be found in the prior art and not based on applicant's disclosure. In re Vaeck, 947 F.2d 488, 20 USPQ2d 1438 (Fed. Cir. 1991) ... The initial burden is on the examiner to provide some **suggestion of the desirability** of doing what the inventor has done. "To support the conclusion that the claimed invention is directed to obvious subject matter, either the **references must expressly or impliedly suggest the claimed invention** or the examiner must present a convincing line of reasoning as to why the artisan would have found the claimed invention to have been obvious in light of the teachings of the references." Ex parte Clapp, 227 USPQ 972, 973 (Bd. Pat. App. & Inter. 1985)."
- **In determining the differences between the prior art and the claims, the question under 35 U.S.C. 103 is** not whether the differences themselves would have been obvious, but **whether the claimed invention as a whole would have been obvious.** The prior art perceived a need for mechanisms to dampen resonance, whereas the inventor eliminated the need for dampening via the one-piece gapless support structure. "Because that insight was contrary to the understandings and expectations of the art, the structure effectuating it would not have been obvious to those skilled in the art." 713 F.2d at 785, 218 USPQ at 700 (citations omitted).

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- MPEP §2143.03, "All Claim Limitations Must Be Taught or Suggested: To establish prima facie obviousness of a claimed invention, all the claim limitations must be taught or suggested by the prior art. In re Royka, 490 F.2d 981, 180 USPQ 580 (CCPA 1974). "All words in a claim must be considered in judging the patentability of that claim against the prior art." In re Wilson, 424 F.2d 1382, 1385, 165 USPQ 494, 496 (CCPA 1970). If an independent claim is nonobvious under 35 U.S.C. 103, then any claim depending therefrom is nonobvious. In re Fine, 837 F.2d 1071, 5 USPQ2d 1596 (Fed. Cir. 1988)."
- MPEP §2143.01, "The Prior Art Must Suggest The Desirability Of The Claimed Invention: There are three possible sources for a motivation to combine references: the nature of the problem to be solved, the teachings of the prior art, and the knowledge of persons of ordinary skill in the art." In re Rouffet, 149 F.3d 1350, 1357, 47 USPQ2d 1453, 1457-58 (Fed. Cir. 1998) (The combination of the references taught every element of the claimed invention, however without a motivation to combine, a rejection based on a prima facie case of obvious was held improper.). The level of skill in the art cannot be relied upon to provide the suggestion to combine references. Al-Site Corp. v. VSI Int'l Inc., 174 F.3d 1308, 50 USPQ2d 1161 (Fed. Cir. 1999).
- "Obviousness cannot be established by combining the teachings of the prior art to produce the claimed invention, absent some teaching or suggestion supporting the combination." In re Fine, 837 F.2d at 1075, 5 USPQ2d at 1598 (citing ACS Hosp. Sys. v. Montefiore Hosp., 732 F.2d 1572, 1577, 221 USPQ 929, 933 (Fed. Cir. 1984)). What a reference teaches and whether it teaches toward or away from the claimed invention are questions of fact. See Raytheon Co. v. Roper Corp., 724 F.2d 951, 960-61, 220 USPQ 592, 599-600 (Fed. Cir. 1983), cert. denied, 469 U.S. 835, 83 L. Ed. 2d 69, 105 S. Ct. 127 (1984). "
- "When a rejection depends on a combination of prior art references, there must be some teaching, suggestion, or motivation to combine the references. See In re Geiger, 815 F.2d 686, 688, 2 USPQ2d 1276, 1278 (Fed. Cir. 1987). "Obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where there is some teaching, suggestion, or motivation to do so found either explicitly or implicitly in the references themselves or in the knowledge generally available to one of ordinary skill in the art. See MPEP 2143.01; In re Kotzab, 217 F.3d 1365, 1370, 55 USPQ2d 1313, 1317 (Fed. Cir. 2000); In re Fine, 837 F.2d 1071, 5 USPQ2d 1596 (Fed. Cir. 1988); and In re Jones, 958 F.2d 347, 21 USPQ2d 1941 (Fed. Cir. 1992).

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- "With respect to core factual findings in a determination of patentability, however, the **Board cannot simply reach conclusions based on its own understanding or experience** – or on its assessment of what would be basic knowledge or common sense. **Rather, the Board must point to some concrete evidence in the record** in support of these findings." See *In re Zurko*, 258 F.3d 1379 (Fed. Cir. 2001).
- "We have noted that **evidence of a suggestion, teaching, or motivation to combine** may flow from the prior art references themselves, the knowledge of one of ordinary skill in the art, or, in some cases, from the nature of the problem to be solved, see *Pro-Mold & Tool Co. v. Great Lakes Plastics, Inc.*, 75 F.3d 1568, 1573, 37 USPQ2d 1626, 1630 (Fed. Cir. 1996), *Para-Ordinance Mfg. v. SGS Imports Intern., Inc.*, 73 F.3d 1085, 1088, 37 USPQ2d 1237, 1240 (Fed. Cir. 1995), although "the suggestion more often comes from the teachings of the pertinent references," *Rouffet*, 149 F.3d at 1355, 47 USPQ2d at 1456. The range of sources available, however, does not diminish the requirement for actual evidence. That is, **the showing must be clear and particular**. See, e.g., *C.R. Bard*, 157 F.3d at 1352, 48 USPQ2d at 1232. **Broad conclusory statements regarding the teaching of multiple references, standing alone, are not "evidence."** E.g., *McElmurry v. Arkansas Power & Light Co.*, 995 F.2d 1576, 1578, 27 USPQ2d 1129, 1131 (Fed. Cir. 1993) ("Mere denials and conclusory statements, however, are not sufficient to establish a genuine issue of material fact."); *In re Sichert*, 566 F.2d 1154, 1164, 196 USPQ 209, 217 (CCPA 1977)." See *In re Dembiczak*, 175 F.3d 994 (Fed. Cir. 1999).
- "To prevent the use of hindsight based on the invention to defeat patentability of the invention, **this court requires the examiner to show a motivation to combine the references** that create the case of obviousness. In other words, **the examiner must show reasons** that the skilled artisan, confronted with the same problems as the inventor and with no knowledge of the claimed invention, would select the elements from the cited prior art references **for combination in the manner claimed**." See *In re Rouffet*, 149 F.3d 1350 (Fed. Cir. 1998).
- The mere fact that references can be combined or modified does not render the resultant combination obvious **unless the prior art also suggests the desirability of the combination**. *In re Mills*, 916 F.2d 680, 16 USPQ2d 1430 (Fed. Cir. 1990). Although a prior art device "may be capable of being modified to run the way the apparatus is claimed, **there must be a suggestion or motivation in the reference** to do so." 916 F.2d at 682, 16

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USPQ2d at 1432.). See also In re Fritch, 972 F.2d 1260, 23 USPQ2d 1780 (Fed. Cir. 1992) (flexible landscape edging device which is conformable to a ground surface of varying slope not suggested by combination of prior art references).

- If the proposed modification would render the prior art invention being modified unsatisfactory for its intended purpose, then there is no suggestion or motivation to make the proposed modification. In re Gordon, 733 F.2d 900, 221 USPQ 1125 (Fed. Cir. 1984).

## **B. Brief Summary of the Present Invention**

### **B.1. Problems addressed by present invention**

Prior to presenting substantive arguments in favor of the allowability of the claims on file, it might be desirable to summarize the present invention in view of the problems it addresses. One of the problems addressed by this present invention is exemplified as follows: "The advantage of Internet comparison shopping engines for Internet retailers is the prospect of increased incremental sales as shoppers choose the merchant's products as a result of a favorable price comparison. Unfortunately, this sales increase comes at the expense of web-site traffic. As more shoppers turn to comparison shopping engines, fewer shoppers visit the actual Internet retailer.

Therefore, the Internet retailer loses the ability to generate sales of ancillary items often acquired by a shopper visiting their site and most importantly, the merchant's brand equity and visit or "hit" count at the merchant's web site is eroded. The effort expended on building a unique shopping experience might thus be threatened by the emergence of these one-stop shopping engines. As such, Internet retailers are challenged to address the convenience offered by such tools in such a way that shoppers are still encouraged to visit their web

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sites."

## B.2. Summary of the present invention

The present invention offers an on-line, real time, price comparison and adjustment system for Internet-based retailing. The present invention allows shoppers to leave the host merchant's site after filling their virtual shopping cart, then browse the WWW in any way the shoppers wish, for a lower priced item. The virtual shopping cart is persistent, and is detached to accompany to the shoppers in their browsing session.

The shoppers still retain the ability to quickly purchase the items in the virtual shopping cart from the host merchant. Additionally, the present invention allows the host merchant to counter offer against an identified lower priced item upon request by the shopper. As a result, the host merchant does not "lose" the shoppers who leave the host merchant's site, providing a significant economic advantage to the host merchant, yet also providing the shoppers with more advantageous, competitive purchase terms (that are not limited to price).

## C. Application of the Obviousness Standard to the Present Invention

### C.1. Independent Claim 1 - Elements Not Disclosed By the Cited References

Applicants respectfully submit that the following elements and combination of elements and resulting features recited in claim 1 and the claims dependent thereon, are not disclosed in the cited references:

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"1. A system for managing an on-line virtual shopping cart which contains information about an item offered by a host merchant, comprising:

a shopping cart manager that creates the virtual shopping cart and that detaches the virtual shopping cart prior to, or upon a shopper leaving a site of the host merchant to a different merchant's site;

an extract and verify module that performs a comparison between a host merchant's offer for the item and an offer from the different merchant's site;

a counter offer module that selectively requests a counter offer from the host merchant relative to the item;

a validation module that automatically prepares a counter offer relative to an underbid offer from the different merchant's site; and

the shopping cart manager automatically and selectively updates the item information in the virtual shopping cart to reflect the host merchant's counter offer, so that when the shopper returns to the host merchant's site for checkout, the shopper acquires the item at the host merchant's counter offer." Emphasis added.

#### C.2. Elements not disclosed by the cited references

The Examiner states that: "In regards to claim 1, Ferguson discloses a system for managing an on-line virtual shopping cart which contains information about an item offered by a host merchant, comprising: a shopping cart manager that creates and manages the virtual shopping cart (abstract).

Ferguson teaches extracting information from a plurality of web sites (col 4, lines 49-57) and searching a plurality of merchants for a particular item (col 2, lines 27-41, searching a plurality of sites for a particular item), but does not specifically mention that this is occurring at a host merchant's site. However, it would have been obvious to one having ordinary skill in the art at the time the invention was made to place the software at a host merchant's site instead of

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a users site to conduct the comparison, since it has been held that rearranging parts of an invention involves only routine skill in the art. In re Japikse, 86 USPQ 70. Furthermore, Ferguson would have been motivated to change this comparison shopping to a host merchant, because this would expand the usage of the system of Ferguson and increase revenues. [and]

Ferguson teaches the importance of comparison shopping (col 1, lines 40-67) and editing a purchase based on a rival merchant's product chosen by a buyer (col 2, lines 27-40), but does not specifically mention that the host merchant's offer is dynamically changed based on a comparison of a rival merchant's offer. Freeny teaches making automatic price changes based on a comparison with the competition's prices (FIG 1 and col 3, lines 42-60). It would have been obvious to a person having ordinary skill in the art at the time of the invention to include automatically changing the prices based on information from competitors, because this would permit the user of the system to retain a sale that might have been lost to a competitors offer and increase sales." Emphasis added.

Applicants agree with the Examiner that Ferguson does not specifically mention that this is occurring at a host merchant's site, and further does not specifically mention that the host merchant's offer is dynamically changed based on a comparison of a rival merchant's offer.

In addition, Applicants have now amended claim 1 to clarify the solution to the problem addressed by the present invention (refer to foregoing presentation), and does not limit the present invention to comparison shopping in general, or to changing the prices based on information from the competitors in the abstract.



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More specifically, Ferguson does not describe: "a shopping cart manager that creates the virtual shopping cart and that detaches the virtual shopping cart prior to, or upon a shopper leaving a site of the host merchant to a different merchant's site". In other terms, Ferguson does not describe initiating (or creating) and detaching the virtual cart when the shopper leaves the host merchant's site. When the virtual cart is detached, it accompanies the shopper in his/her subsequent browsing activities during the session, but still retains a link to the host merchant's site, so that when the shopper ends his/her browsing and shopping, he/she is given the opportunity to return back to the host merchant's site to effect the final shopping, most likely of the host merchant's products or services.

In addition, Ferguson does not describe: "a counter offer module that selectively requests a counter offer from the host merchant relative to the item". The office action does not address this important element of the claims. Applicants note that comparison shopping is not the same as presenting a counter offer to the shopper.

In addition, it should be noted that the counter offer is initiated by the host merchant in order to give the host merchant an opportunity to retain the shopper as a customer and not lose the shopper to, for example, a lower bidding competitor. This feature is captured, in essence, by the following element of claim 1: "a validation module that automatically prepares a counter offer relative to an underbid offer from the different merchant's site".

Neither Ferguson nor Freeny explains that, once the host merchant's counter offer is prepared in response to an underbid, the item information in

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the virtual cart is updated so that when the shopper returns to the host merchant's site for final purchase and checkout, the shopper can acquire the item at the host merchant's counter offer, and not at the host merchant's original and less competitive offer. This gives the shopper the advantage of making the purchase at more competitive conditions. This feature is captured, in essence, by the following element of claim 1: "the shopping cart manager automatically and selectively updates the item information in the virtual shopping cart to reflect the host merchant's counter offer, so that when the shopper returns to the host merchant's site for checkout, the shopper acquires the item at the host merchant's counter offer."

Based on the legal authorities above, neither Ferguson, Freeny, nor the combination thereof, describes essential elements of the present invention, and consequently, claim 1, as amended is not obvious in view of these references. Therefore, claim 1 and the claims dependent thereon are allowable, and such allowance is respectfully requested. In addition, with respect to the dependent claims, Applicants do not assert each individual feature independently in the abstract, but rather in combination with the elements of claim 1.

Independent claims 11 and 22 are also allowable for reciting generally similar elements and limitations to those of claim 1. As a result, claims 11 and 22 and the claims dependent thereon are allowable and such allowance is respectfully requested.

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**D. New Claims**

Applicants submit that the new claims 26 and 27 as they contain elements that are generally similar to those of claims 16 and 17, respectively.

**CONCLUSION**

All the claims presently on file in the present application are in condition for immediate allowance, and such action is respectfully requested. If it is felt for any reason that direct communication would serve to advance prosecution of this case to finality, the Examiner is invited to call the undersigned at the below-listed telephone number.

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Samuel A. Kassatly Law Office  
20690 View Oaks Way  
San Jose, CA 95120  
Tel: (408) 323-5111  
Fax: (408) 323-5112

Respectfully submitted,



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Samuel A. Kassatly  
Attorney for Applicants  
Reg. No. 32,247